

tained in the face of an adverse balance of trade.¹ The measures adopted were the suppression of the export tax on silver coins, the gradual retirement and recoinage of Mexican piasters, including limitation of their legal-tender quality, and the issue of a sufficient quantity of French piasters to meet the needs of commerce. The importation of Mexican coins was prohibited and a convention was made with the Bank of Indo-China for the gradual exportation of the stock in the country. Their exodus was encouraged by the demand for money in Manchuria in 1905, due to the war between Russia and Japan, and the flight of the French pieces also was stayed only by a decree of January 30, 1905, imposing an export tax.²

The incompleteness of the measures taken in 1903 was the subject of severe criticism by French exporting interests and leading economists. The French chambers of commerce almost unanimously urged the definite adoption of the exchange standard.³ The Governor of Indo-China appointed a local commission October 8, 1905, which recommended a value for the piaster of 2.75 francs (\$0.531) and the adoption of the Philippine system for maintaining the parity of the silver coins." The home government was not ready to approve this step, and the rise of silver carried the value of the bullion contents of the piaster for a brief period in 1906 as high as 2.94 francs, or nearly seven per cent, above the pro-proposed parity. The local currency remained subject to the fluctuations of the market for silver bullion, except that the government intervened from time to time in fixing a rate

¹ A synopsis of the views of M. Arnaune* is given by De*tieux, 320-28, and these views are analyzed by him, *La Question Mon&taire en Indo-Chine*^ 382-84, substantially in accord with the policy of the present writer.

² De*tieux, 333.

³ *Vide* list in De*tieux, 311, and report of the Paris Chamber, May 13, 1903, by M. Laguionie, *Commission on International Exchange, 1003*, 379-91. The latter report declared flatly for "a gold fund destined to pave the way for the ult'r'nate adoption of the gold standard."J>